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RUEHBUL/AMEMBASSY KABUL PRIORITY 0530  
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RUEHNE/AMEMBASSY NEW DELHI PRIORITY 5130  
RUEAIIA/CIA WASHINGTON DC PRIORITY  
RHMFISS/HQ USCENCOM MACDILL AFB FL PRIORITY  
RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY  
RUEHKF/AMCONSUL KARACHI 1877  
RUEHLH/AMCONSUL LAHORE 7479  
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S E C R E T SECTION 01 OF 06 ISLAMABAD 001364

SIPDIS

EO 12958 DECL: 06/19/2019  
TAGS PREL, PGOV, PTER, PHUM, EAID, MARR, MOPS, PK  
SUBJECT: SCENESETTER FOR NATIONAL SECURITY ADVISOR JONES

Classified By: Anne W. Patterson for reasons 1.4 (b,d)

1. (C) Summary: Embassy Islamabad warmly welcomes your visit. Your arrival comes at a moment when Pakistan's political leaders, and its people  
2. (C) The USG is providing the lion's share of international humanitarian assistance being provided to the internally displaced who fled the  
3. (C) In the longer term, the GOP is confronted with a weak economy and a lack of government authority (or government provided security) in n  
4. (C) Pakistan is digging its way out of an economic crisis that came to a head in the fall of 2008, caused by poor policy choices which were  
5. (C) Nuclear cooperation on security issues has decreased after wstatements made in the press about purported U.S. plans to seize nuclear fa

#### Domestic Politics

6. (C) The government headed by President Asif Zardari and Prime Minister Yousaf Gilani, elected in 2008 after eight years of military rule, i  
7. (C) Zardari signed Shari'a law in Swat, which precipitated the taliban's emboldened attempt to dominate Swat and bordering areas. He also c  
ISLAMABAD 00001364 002 OF 006  
piggy-backing on the popular support for the military's offensive against the taliban.  
8. (C) While Nawaz is preparing for the next election and appealing directly to the street, a court case considering voiding past convictions  
9. (C) While far from perfect, you will find Zardari is pro-American, anti-extremist and eager to be seen as working with the USG. Zardari rur  
10. (S) Zardari is less likely to make public announcements chastising the USG for its policies in, and toward Pakistan (including on USG dror  
11. (C) Prime Minister Gilani has shown strong leadership skills in building Parliamentary coalitions at times of national crisis and in the s  
12. (C) Gilani was also instrumental in bringing the "long march" crisis to a peaceful resolution, and was the senior GOP official (not Zardar

#### Economic and Structural Challenges

13. (C) Pakistan is digging its way out of an economic crisis that came to a head in the fall of 2008, caused by poor policy choices which wer  
14. (C) However, to set the stage for longer-term prosperity, the government must undertake more difficult structural reforms such as eliminat  
ISLAMABAD 00001364 003 OF 006  
slow, however, and it is estimated to be 2 percent for the current fiscal year, down from original predictions of 4.5 percent. The challenge in

#### The Swat Military Campaign and IDPS

15. (C) The military's effective campaign against taliban in Bajaur last fall was limited in geographical scope. Rumors that taliban leaders w  
16. (S) Zardari, meanwhile, argued privately that he had to sign the deal in order that the GOP be seen to have been willing to try everything  
17. (C) After military operations started in May in Swat and neighboring areas, some two million Pakistani citizens moved out of the area and  
18. (C) We have reports of some IDPs returning, including several hundred thousand in Bajaur and up to half the populations in parts of Buner;  
19. (C) All of the big international humanitarian organizations are present in Pakistan. Like our own approach to staffing the Consulate, ever  
ISLAMABAD 00001364 004.2 OF 006  
local staff to implement programs at the camps and in communities. Security continues to be an issue, even in areas the Army has declared "cles

#### Economic Recovery Key

20. (C) The USG and the GOP are in agreement that the key to maintaining security (and keeping extremists from reemerging) is in economic rec  
21. (C) We are planning how to spend USG funds to support Pakistan's civilian institutions, bolster budgetary support, strengthen the military

#### Waziristan

22. (S) Pakistan's military has begun its assault in South Waziristan with the goal of capturing or eliminating taliban leader Baitullah Mehsu  
23. (S) The 2007-2008 blockade of the Mehsud area, which was initially quite severe, produced approximately 200,000 IDPs. However, we expect t  
24. (C) The GOP is wary of international scrutiny through the United Nations which may embroil it in charges of being in breach of internatio

#### Military Cooperation

25. (S) The campaigns in Malakand (including Swat) and now in Waziristan, have demonstrated Pakistan's will to fight extremism. Faced with its  
ISLAMABAD 00001364 005.2 OF 006  
BCC. The military remains reluctant to expand the U.S. military footprint, but we now have the basis for increased cooperation. USG efforts to  
26. (S) The campaign itself may prove, over time, to be an event that builds trust and increases U.S./Pak military cooperation. Military and c

#### Nuclear Security

27. (S) Since A.Q Khan's proliferation activities came to light in 2004, Pakistan has sought to rehabilitate its image as a nuclear technology  
28. (S) Over the last two months, however, local and international media reporting on U.S. and international fears that terrorists would acqui

#### India

29. (C) President Zardari is personally in favor of improving Pakistan's relations with India, but efforts early in his tenure (including on c  
30. (C) The June 16 meeting between President Zardari and Indian Prime Minister Singh in Russia was marred by what the Pakistani side viewed s

#### America

31. (S) While we grant large amounts of aid to Pakistan and its military, even with the arrival to office of the well-perceived President Oban